



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	HB0115	<b>Title:</b>	Generally revise board of nursing laws
<b>Primary Sponsor:</b>	Funk, Moffie	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$150,586	\$142,169	\$144,301	\$146,465
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$158,026	\$158,026	\$160,396	\$162,802
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** The fiscal impact of this legislation to the Board of Nursing includes costs to the board to require finger print and background checks for all future applicants, implementing rules for that requirement, and update rules to include Medication Aides under the board's impaired practitioner program. The Department of Justice would need to add 0.50 FTE who would be dedicated to processing state/federal background checks for new nursing license applicants.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Labor and Industry (DLI) - Board of Nursing**

1. The board will require all licensing applicants to submit to fingerprint and background checks through the Department of Justice as part of the application process for licensure in Montana. The cost of the fingerprint and background checks will be paid by the board.
2. It is estimated there are 2,450 new applications for licensure to the Board of Nursing annually, both from in state applicants as well as out of state in the next biennium. An assumption of a 1.5% increase in the number of applicants is included in FY 2018 and FY 2019.

3. Currently, the board provides a medical assistance program to licensed nurses with impairment issues. This legislation directs the board to include all licensees. At present, the only non-nursing licensees the board has jurisdiction over, are Medication Aides. There will be an expense to the board to write and adopt rules to include the current 72 medication aides and any future license types. See assumption 4.
4. If the board includes rule proposals for both sections of this legislation in one combined rule notice, the total cost is estimated to be \$5,017, which includes a minimum of a 10 page rule notice and three page adoption notice at \$650 to the Secretary of State for publication; a two hour rule hearing for public participation and comments, with a hearing officer presiding and a court reporter to transcribe comments, \$440; additional legal time needed for review of the rule package, to assist the board in addressing comments, and in preparing the adoption notice, \$3,800; and notice to interested parties that will be notified by post card and directed to the board's website to view the proposed rules \$127.
5. All fees charged to the Board of Nursing will be set to be commensurate with associated costs.

#### **Department of Justice (DOJ) – Division of Criminal Investigation**

6. The Montana Board of Nursing estimated that 2,450 state/federal fingerprint-based background checks will be conducted each year of the 2017 biennium. These background checks would be additional work volume for the Criminal Record and Identification Services Section of the Department of Justice (DOJ). The Division of Criminal Investigations anticipates needing a half-time fingerprint technician for these additional duties. The personal services costs at \$30,918 in FY 2016 for salary and benefits.
7. One-time-only costs for a new employee office package, a laptop, printer and software would add an additional \$4,400 in FY 2016. Phone and network expenses are anticipated to be \$1,000 annually.
8. A 1.5% inflation factor is applied to FY 2018 and FY 2019.
9. Only nursing license applicants would be required to undergo these background checks. Nurses who currently have licenses will not be required to undergo these background checks.
10. The Federal Bureau of Investigation currently charges \$12.75 per federal background check. Additional expenditures at the current rate would be \$31,238 (2,450 x \$12.75).
11. The federal fingerprint-based background check and the fingerprinting fee currently charged by DOJ are assumed for this revenue estimate.

HB 115 requirement	Fee	2016	2017	2018	2019
# of Applicants per year		2,450	2,450	2,487	2,524
Fingerprinting Service	\$ 5.00	\$ 12,250	\$ 12,250	\$ 12,434	\$ 12,620
Federal Fingerprint-Based Check	\$ 27.25	\$ 66,763	\$ 66,763	\$ 67,764	\$ 68,780
		\$ 79,013	\$ 79,013	\$ 80,198	\$ 81,401

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	0.50	0.50	0.50	0.50
<b><u>Expenditures:</u></b>				
Personal Services (DOJ)	\$30,918	\$30,918	\$31,382	\$31,852
Operating Expenses (DOJ)	\$35,638	\$32,238	\$32,721	\$33,212
Operating Expenses (DLI - Board of Nursing)	\$84,030	\$79,013	\$80,198	\$81,401
<b>TOTAL Expenditures</b>	<b>\$150,586</b>	<b>\$142,169</b>	<b>\$144,301</b>	<b>\$146,465</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02) DC	\$66,556	\$63,156	\$64,103	\$65,064
State Special Revenue (02) DL	\$84,030	\$79,013	\$80,198	\$81,401
<b>TOTAL Funding of Exp.</b>	<b>\$150,586</b>	<b>\$142,169</b>	<b>\$144,301</b>	<b>\$146,465</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02) DC	\$79,013	\$79,013	\$80,198	\$81,401
State Special Revenue (02) DL	\$79,013	\$79,013	\$80,198	\$81,401
<b>TOTAL Revenues</b>	<b>\$158,026</b>	<b>\$158,026</b>	<b>\$160,396</b>	<b>\$162,802</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02) DC	\$12,457	\$15,857	\$16,095	\$16,337
State Special Revenue (02) DL	(\$5,017)	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0

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*Sponsor's Initials*\_\_\_\_\_  
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